

SECOND IMPLEMENTATION AGREEMENT

This Second Implementation Agreement is entered into by and between the REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO (the "Agency"), and INTERNATIONAL GATEWAY ASSOCIATES, LLC, a Delaware limited liability company (the "Developer").

For and in consideration of the mutual covenants and conditions herein set forth, the Agency and the Developer hereby agree as follows:

I. [§ 100] PURPOSE OF SECOND IMPLEMENTATION AGREEMENT

The Agency and LandGrant Development Unlimited, a California corporation ("LandGrant") have heretofore entered into that certain Disposition and Development Agreement dated May 29, 1998, as amended by the First Implementation Agreement thereto dated February 23, 2000 (collectively with this Second Implementation Agreement, the "Agreement"). LandGrant subsequently assigned its interest in the Disposition and Development Agreement, as amended by the First Implementation Agreement, to the Developer. The Agency and the Developer desire to amend the Agreement to revise the Scope of Development to add certain off-site public improvements to be constructed by the Developer and/or the Agency in connection with development of the Site, to change the phasing of construction of certain off-site public improvements, and to make other changes deemed appropriate by the parties.

II. [§ 200] RESPONSIBILITIES OF THE AGENCY

Section 314, Responsibilities of the Agency, of the Agreement is hereby amended to read in its entirety as follows:

The Agency shall not be responsible for performing any of the work specified in the Scope of Development (Attachment No. 4), except as set forth in Sections B. thereof and C. hereof.

In addition to Sections B. and C. of the Scope of Development (Attachment No. 4), the Agency shall be responsible for the matters described in Section III of the Method of Financing (Attachment No. 2) and for the performance of its other obligations specifically set forth in this Agreement.

DOCUMENT NO. 22-294278

FILED NOV 21 2000
CITY CLERK
SAN DIEGO, CALIFORNIA

DOCUMENT NO. D-03272/2-03272

FILED DEC 15 2000

OFFICE OF THE REDEVELOPMENT AGENCY
SAN DIEGO, CALIF.

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III. [§ 300] SCOPE OF DEVELOPMENT

A. [§ 301] Off-Site Improvements

Section A.6., Off-Site Improvements, of the Scope of Development (Attachment No. 4) of the Agreement, as amended by the First Implementation Agreement, is hereby further amended to read in its entirety as follows:

6. Off-Site Improvements

*Amended
See 5th Imp
Agreement
entire Section*

Developer, at its cost and expense, shall design and construct or cause to be designed and constructed, except public improvements referred to in Section C, Responsibilities, of this Scope of Development, public improvements within and related to streets or appropriate for the development of the Site, including: curbs, gutters and sidewalks, street trees, irrigation systems, street lights, trash receptacles, fire hydrants, and all other like public improvements as may be required by the City of San Diego.

The Developer shall construct or cause to be constructed concurrently with each applicable Development Parcel as specified in the Schedule of Performance (Attachment No. 3), the following off-site public improvements:

a. Phase IA Public Improvements

The following facilities shall be constructed as the Phase IA Public Improvements:

- (1) Construction of the remaining Camino de la Plaza improvements between Sipes Lane and Bibler Lane, as a minor arterial, as shown on Exhibit A to this Scope of Development.
- (2) Camino de la Plaza between the western edge of the project and Virginia Avenue is classified as a 4-lane roadway. Prior to issuance of the first building permit, subdivider shall dedicate 46 feet of right of way and shall assure by permit and bond construction of 36 feet of pavement, curb, gutter and a 5 foot wide sidewalk within a 10-foot curb-to-property line distance, as shown on Exhibit A to this Scope of Development.

- (3) Prior to issuance of first building permit , subdivider shall assure by permit and bond construction a traffic signal at the following locations, as shown on Exhibit A to this Scope of Development.

*Dairy Mart Road / Interstate 5 southbound ramps

*Camino de la Plaza / Willow Road/Project driveway

*Camino de la Plaza / Driveway (Via National)

- (4) Virginia Avenue between the southern edge of Lot 17 and the southern edge of Lot 16 is classified as a 2-lane collector roadway. Prior to the recordation of first final map, subdivider shall dedicate 35 feet of right of way and shall assure by permit and bond construction of 25 feet of pavement; curb, gutter and a 5 foot wide sidewalk within a 10-foot curb-to-property-line distance as shown on Exhibit A to this Scope of Development.

- (5) Camino de la Plaza between Virginia Avenue and Camiones Way is classified as a 4-lane major roadway. Prior to the issuance of the first building permit, subdivider shall dedicate 49 feet of right of way and shall assure by permit and bond construction of 36 feet of pavement, curb, gutter and a 5 foot wide sidewalk within a 13-foot curb-to-property-line distance, as shown on Exhibit A to this Scope of Development.

- (6) Prior to the issuance of the first building permit, subdivider shall by permit and bond modification the traffic signal and improve the intersection of Camino de la Plaza / Interstate 5 southbound ramps to provide one left turn lane, one thru lane, one right turn lane for all approaches, as shown on Exhibit A to this Scope of Development.

The obligation to construct and pay for the Phase IA Public Improvements shall be borne by Parcels B and C. Such Phase IA Public Improvements shall be completed prior to, and as a condition of, issuance

of any Certificate of Occupancy for the development on Parcels B and C by the City of San Diego.

b. Phase IB Public Improvements

The following facilities shall be constructed as the Phase IB Public Improvements:

- (1) Prior to issuance of first building permit exceeding 407,000 square feet of building, subdivider shall assure by permit and bond construction of a traffic signal at Camino de la Plaza / Driveway 1 (Tia Juana Street), as shown on Exhibit A to this Scope of Development.
- (2) Dairy Mart Road between Interstate 5 southbound ramps and Camino de la Plaza is classified as a 4-lane collector roadway. Prior to issuance of first building permit exceeding 407,000 square feet of building, subdivider shall assure by permit and bond construction of 68 feet of pavement and AC berm on both sides of the roadway within the existing 80-foot right of way, as shown in Exhibit A to this Scope of Development.

The obligation to construct and pay for the Phase IB Public Improvements shall be borne by Parcel A. Such Phase IB Public Improvements shall be completed prior to, and as a condition of, issuance of any Certificate of Occupancy for the development on Parcel A by the City of San Diego.

c. Phase II Public Improvements

The following facilities shall be constructed as the Phase II Public Improvements:

- (1) Construction of the Lincoln Glorietta to provide traffic distribution within the Site, as shown on Exhibit A to this Scope of Development.

The obligation to construct and pay for the Phase II Public Improvements shall be borne by Parcel E-

3. Such Phase II Public Improvements shall be completed prior to, and as condition of, issuance of any Certificate of Occupancy for the development on Parcel E-3 by the City of San Diego.

B. [§ 302] Agency Responsibilities

Section C., Agency Responsibilities, is hereby added to the Scope of Development (Attachment No. 4) of the Agreement, as amended by the First Implementation Agreement, to read in its entirety as follows:

C. Agency Responsibilities

The Agency shall contribute (or cause others than the Developer to contribute) a share toward the costs and expenses of designing and constructing the following public improvements within and related to streets necessary or appropriate for the development of the Site, if and when warrants demand (currently estimated to be 2015 or later), as determined by the City of San Diego:

1. Phase III Public Improvements

The Agency shall contribute (or cause others than the Developer to contribute) the shares indicated below toward the costs and expenses of designing and constructing the following facilities, if and when each is required to be constructed as an element of the Phase III Public Improvements:

- a. The fair share (65%) of the cost for the traffic signal modifications and construction of one exclusive eastbound (I-5 SB off-ramp) left turn lane at the intersection of Dairy Mart Road / Interstate 5 southbound ramps, as shown on Exhibit B to this Scope of Development.
- b. The fair share (61.6%) of the cost for the future traffic signal modification and construction of a second southbound left turn pocket at the intersection of

Camino de la Plaza / Willow Road, as shown on Exhibit B to this Scope of Development.

- c. The fair share (46.6%) of the cost for the traffic signal modifications and construction of a second southbound (I-5 SB off-ramp) left turn lane at the intersection of Camino de la Plaza / Interstate 5 southbound ramps, shown on Exhibit B to this Scope of Development.
- d. The fair share (50.2%) of the cost for the traffic signal modification and re-striping to provide one left turn lane, one shared through/right turn lane and one right turn lane for northbound traffic at the intersection of San Ysidro Boulevard/ Beyer Blvd., as shown on Exhibit B to this Scope of Development.
- e. The Developer shall not be responsible for the improvements to the traffic signal at West San Ysidro Boulevard / Interstate 5 northbound ramps (N), which is being designed and funded through the City's CIP Budget/Program. The Redevelopment Agency will assist the City in moving this project forward with CALTRANS.

C. [§ 303] Exhibits to Scope of Development

Exhibit A (Attachment No. 4) of the Scope of Development of the Agreement, as amended by the First Implementation Agreement, is hereby deleted in its entirety, and the Amended Exhibit A (Attachment No. 4), Developer Public Improvements, attached hereto and incorporated herein, is substituted in lieu thereof.

Exhibit B (Attachment No. 4), Agency Public Improvements, attached hereto and incorporated herein, is hereby added to the Scope of Development of the Agreement after Amended Exhibit A.

IV. [§ 400] TIME FOR ACCEPTANCE OF SECOND IMPLEMENTATION AGREEMENT BY THE AGENCY; DATE OF SECOND IMPLEMENTATION AGREEMENT

This Second Implementation Agreement when executed by the Developer and delivered to the Agency, must be authorized, executed and delivered by the Agency on or before sixty (60) days after this Second Implementation Agreement is signed by the Developer or this Second Implementation Agreement may be terminated by the Developer on written notice to the Agency.

This Second Implementation Agreement is executed in five (5) duplicate originals, each of which is deemed to be an original. This Second Implementation Agreement includes ten (10) pages and two (2) exhibits.

The date of this Second Implementation Agreement shall be the date when the Second Implementation Agreement shall have been executed by the Agency.

IN WITNESS WHEREOF, the Agency and Developer have signed this Second Implementation Agreement as of the dates set opposite their signatures.

INTERNATIONAL GATEWAY ASSOCIATES, LLC
a Delaware limited liability company
(Developer)

By: Gateway Retail Group, LLC,
a California limited liability company
(Managing Member)

By: LandGrant Development Unlimited,
a California corporation
(Managing Member)

Date: Nov. 6, 2000

By: [Signature]

Name: MARASCO

Title: PRESIDENT

Date: Nov 6, 2000

By: [Signature]

Name: CHRIS SMITH

Title: EX V.P.

[Signature page continued from page 7]

Approved and
agreed to:

JER INTERNATIONAL GATEWAY, LLC,
a Delaware limited liability company
(Member)

By: JER IG II, LLC,
a Delaware limited liability company
(Its Sole Member)

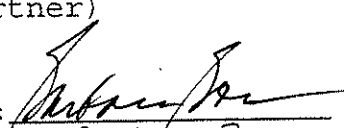
By: JER INTERNATIONAL GATEWAY PARTNERS
II, LLC,
a Delaware limited liability
company
(Member)

By: JER REAL ESTATE PARTNERS II,
L.P.,
a Delaware limited partnership
(Member)

By: JER REAL ESTATE ADVISORS
II, L.P.,
a Delaware limited
partnership
(Its General Partner)

By: JER REAL ESTATE
ADVISORS II, INC.,
a Delaware
corporation
(Its General
Partner)

Date: Nov. 6, 2000

By: 
Name: Barbara Bowman
Title: Vice President

[Signature page continued from page 8]


By: JER INTERNATIONAL GATEWAY QUALIFIED
PARTNERS II, LLC,
a Delaware limited liability company
(Member)

By: JER REAL ESTATE QUALIFIED PARTNERS
II, L.P.,
a Delaware limited partnership
(Member)

By: JER REAL ESTATE ADVISORS II,
L.P.,
a Delaware limited partnership
(Its General Partner)

By: JER REAL ESTATE ADVISORS
II, INC.,
a Delaware corporation
(Its General Partner)

Date: Nov. 6, 2000

By: 
Name: Barbara Bowman
Title: Vice President

[Signature page continued from page 9]

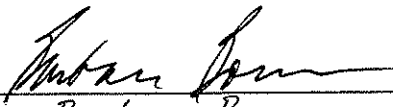
By: JER INTERNATIONAL GATEWAY PARTNERS II-A, LLC,
a Delaware limited liability company
(Member)

By: JER REAL ESTATE PARTNERS II-A, L.P.,
a Delaware limited partnership
(Member)

By: JER REAL ESTATE ADVISORS II,
L.P.,
a Delaware limited partnership
(Its General Partner)

By: JER REAL ESTATE ADVISORS
II, INC.,
a Delaware corporation
(Its General Partner)

Date: Nov. 6, 2000

By: 
Name: Barbara Bowman
Title: Vice President

[Signature page continued from page 10]

Approved and
agreed to:

LANDGRANT DEVELOPMENT UNLIMITED,
A California Corporation
(Original Developer)

Date: Nov 6, 2000 By: [Signature]
Name: MARISC
Title: president

Date: NOV 6, 2000 By: [Signature]
Name: CHRIS SMITH
Title: EX V.P.

Approved and
agreed to:

LANDGRANT CORPORATION,
A California Corporation
(Guarantor)

Date: Nov 6, 2000 By: [Signature]
Name: MARISC
Title: president

Date: NOV 6, 2000 By: [Signature]
Name: CHRIS SMITH
Title: EX V.P.

[Signature page continued from page 11]

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
(Agency)

Dated: 11/27/00 By: Todd Hooks
Todd Hooks
Deputy Executive Director

APPROVED AS TO FORM AND
LEGALITY ON THIS 5 day
of December, 2000.

CASEY GWINN
Agency General Counsel

By: [Signature]
Douglas K. Humphreys, Deputy

APPROVED:
KANE, BALLMER & BERKMAN
Agency Special Counsel

By: Bruce D. Ballmer
Bruce D. Ballmer

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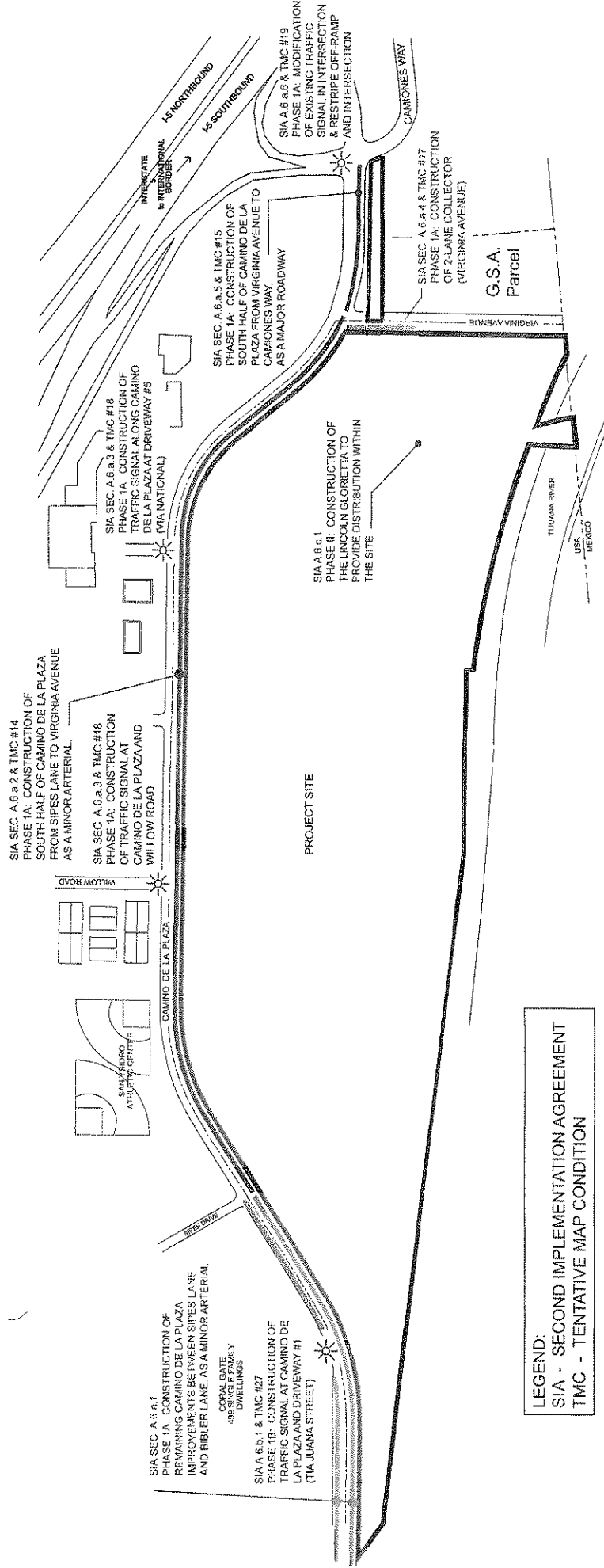
Amended Exhibit A
(Attachment No. 4)

DEVELOPER PUBLIC IMPROVEMENTS

[To be added.]

Public Improvements Exhibit per Second Implementation Agreement

Developer's Responsibilities Page 1 of 2



International Gateway Of The Americas SAN DIEGO, CALIFORNIA Puerta Internacional De Las Americas SAN DIEGO, CALIFORNIA

30 October, 2000
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 0 30m 60m 120m



Handwritten signature

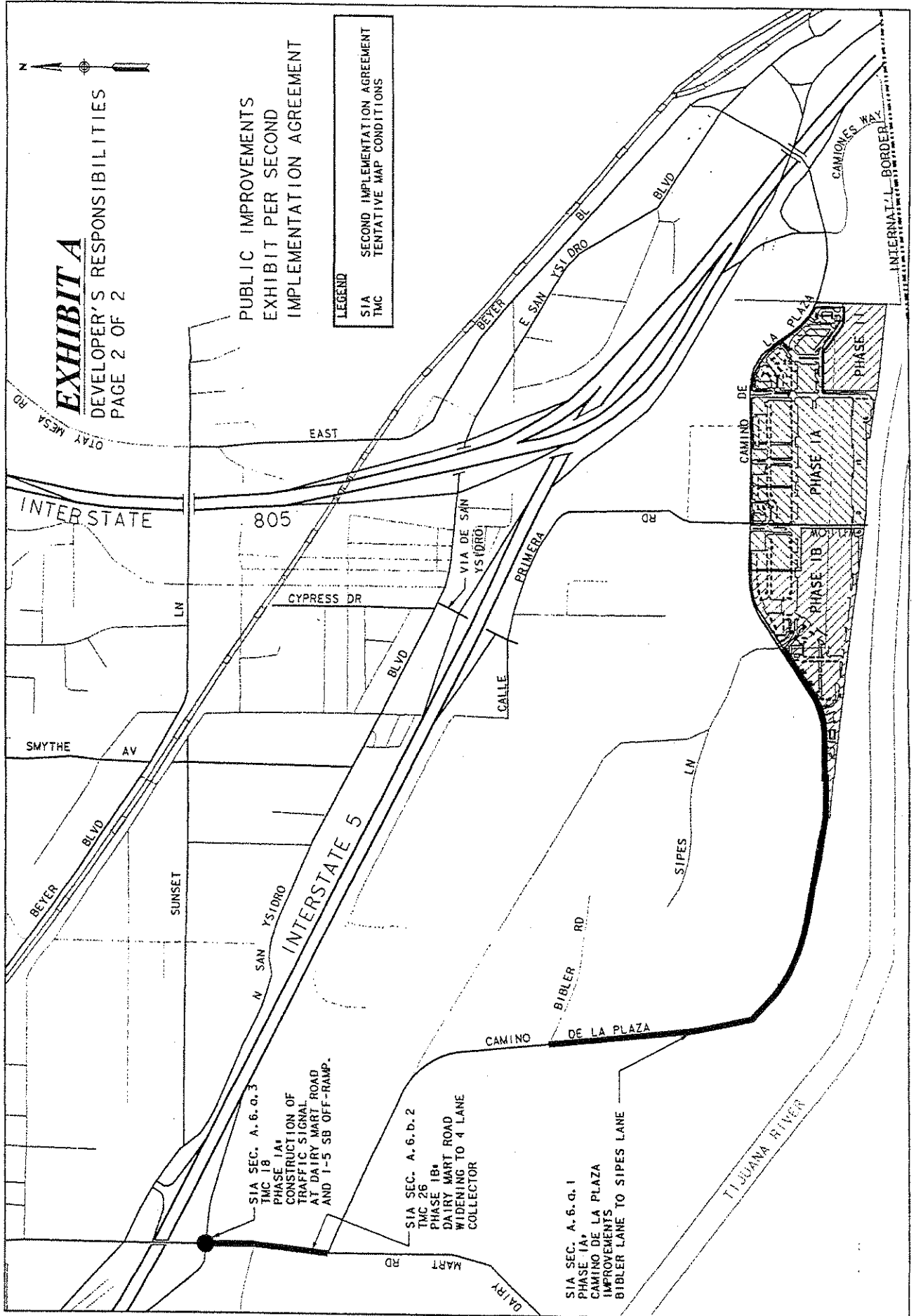
EXHIBIT A

DEVELOPER'S RESPONSIBILITIES
PAGE 2 OF 2

PUBLIC IMPROVEMENTS EXHIBIT PER SECOND IMPLEMENTATION AGREEMENT

LEGEND

SIA SECOND IMPLEMENTATION AGREEMENT
TMC TENTATIVE MAP CONDITIONS



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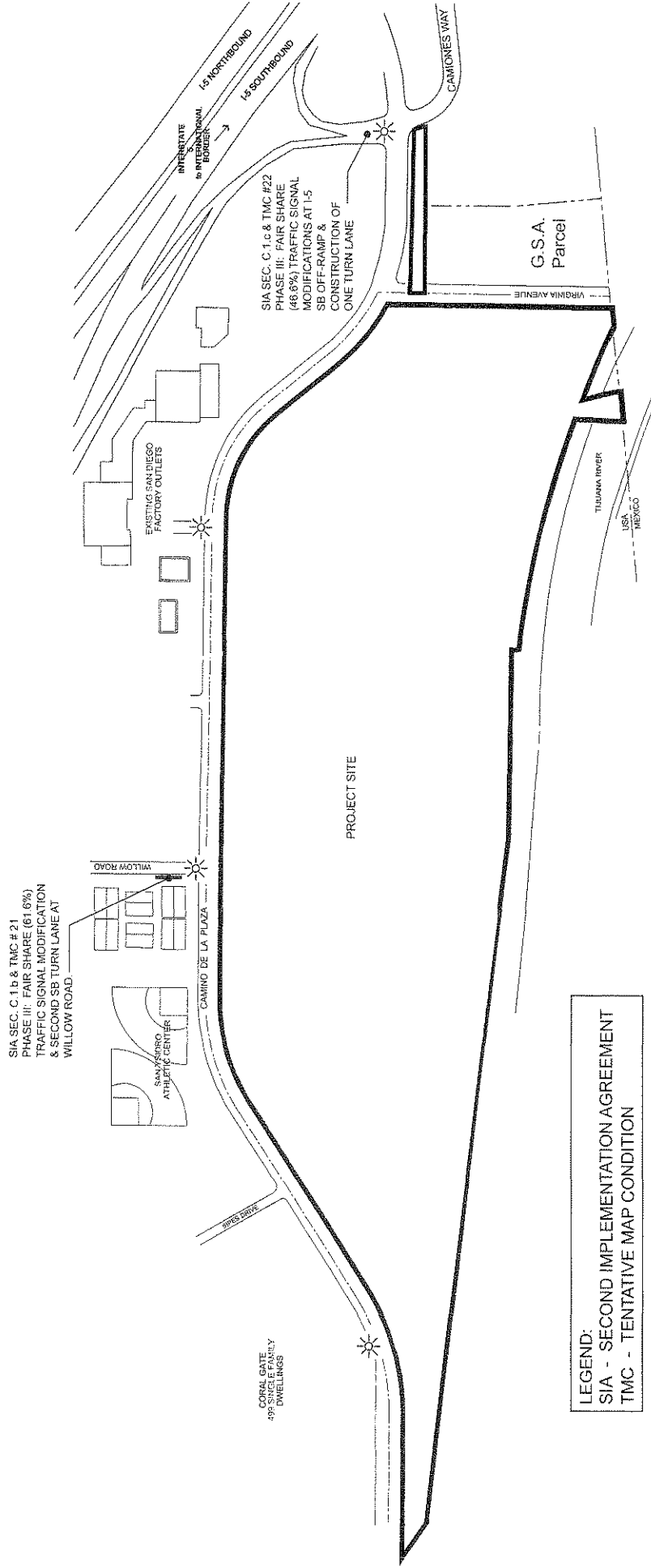
Exhibit B
(Attachment No. 4)

AGENCY PUBLIC IMPROVEMENTS

[To be added.]

Public Improvements Exhibit per Second Implementation Agreement

Agencies' Responsibilities
Page 1 of 2



12625 High Bluff Dr., Suite 212
San Diego, California 92130
Telephone: (659) 481-0094
Telecopy: (659) 481-3106
E-Mail: information@landgrant.net

International Gateway Of The Americas SAN DIEGO, CALIFORNIA Puerta Internacional De Las Americas SAN DIEGO, CALIFORNIA



30 October, 2000

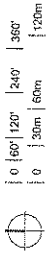


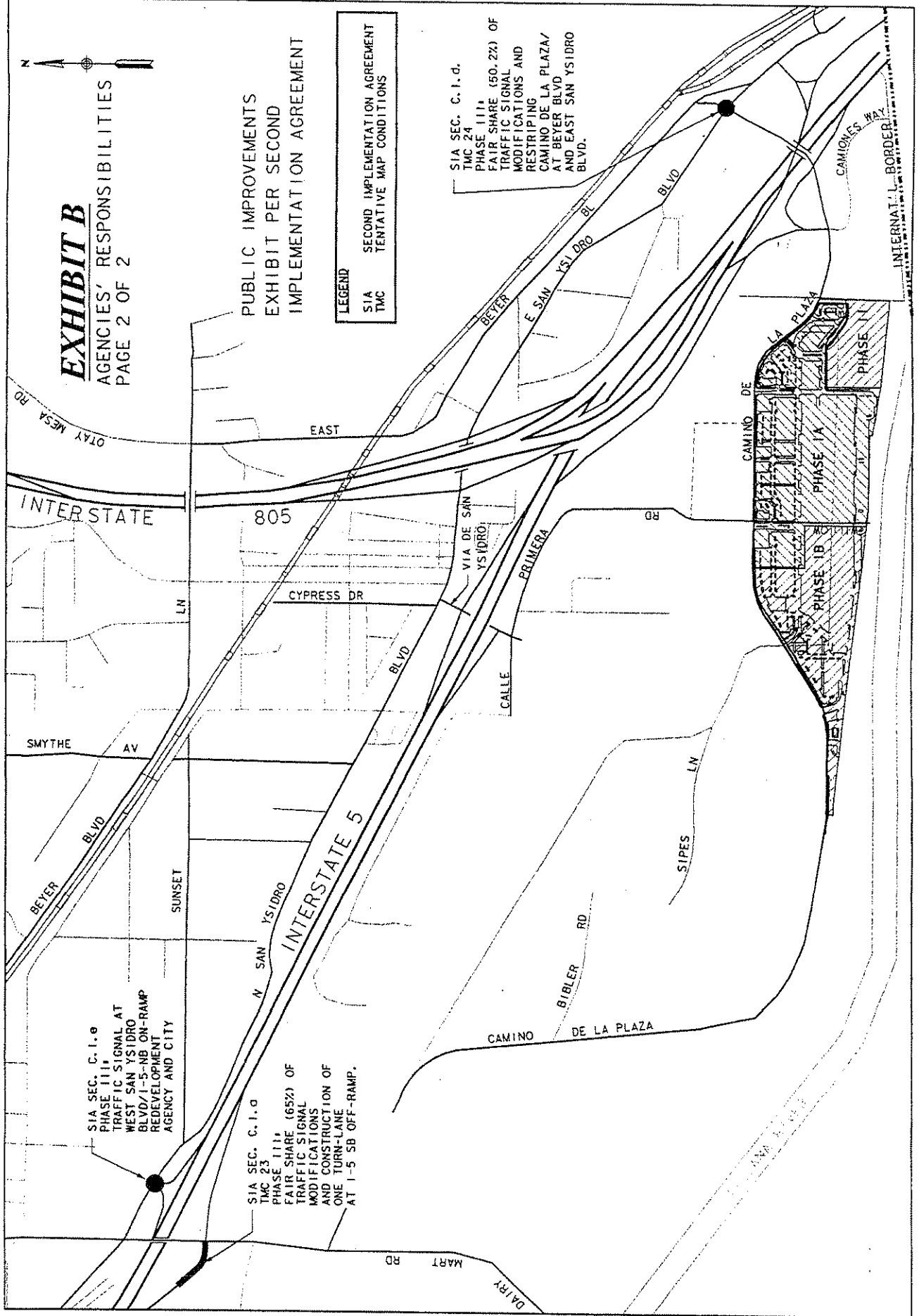
EXHIBIT B

AGENCIES' RESPONSIBILITIES
PAGE 2 OF 2

PUBLIC IMPROVEMENTS
EXHIBIT PER SECOND
IMPLEMENTATION AGREEMENT

LEGEND

SIA
TMC
SECOND IMPLEMENTATION AGREEMENT
TENTATIVE MAP CONDITIONS



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THE CITY OF SAN DIEGO

DATE ISSUED: November 15, 2000 REPORT NO. RA-00-19

ATTENTION: Chair and Members of the Redevelopment Agency
Docket of November 21, 2000

SUBJECT: Second Implementation Agreement to the Disposition and Development Agreement for the International Gateway of the Americas Project with LandGrant Development and Cooperation Agreement with the City

REFERENCE: Manager's Reports No. RA-00-3, dated, February 16, 2000; RA98-4, dated May 6, 1998; and, RA-97-8, dated, July 11, 1997

SUMMARY

Issue - Should the Agency: (1) Enter into the Second Implementation Agreement to the Disposition and Development Agreement (DDA) for the International Gateway of the Americas (IGA) Project with LandGrant Development; and, (2) Authorize the Executive Director to prepare and execute a Cooperation Agreement with the City of San Diego for reimbursement of certain off-site public improvements associated with the IGA Project?

Manager's Recommendation - That the Agency: (1) Approve the Second Implementation Agreement to the DDA for the International Gateway of the Americas Project with LandGrant Development; (2) Authorize the Executive Director to prepare and execute a Cooperation Agreement with the City for reimbursement of certain off-site public improvements; and (3) Make certain findings that the improvements are of benefit to the San Ysidro Redevelopment Project Area or the immediate neighborhood in which the project is located; that no other reasonable means of financing the improvements are available to the community; that the payment of funds for such improvements will assist in the elimination of blighting conditions inside the project area; and that the proposed improvements are consistent with the Redevelopment Plan adopted for the Project Area on April 16, 1996, and the Five-Year Implementation Plan adopted April 2, 1996.

Other Recommendations - None. The San Ysidro Redevelopment Project Area Committee is no longer meeting due to budget limitations.



Redevelopment Agency

202 C Street, 3rd Floor, MS 3A • San Diego, CA 92101-3863

Tel (619) 236-6039 Fax (619) 236-6512

Economic Development and Community Services

Fiscal Impact - The Second Implementation Agreement does not change the amount of money going to the developer. The Agreement does, however, increase the amount of tax increment committed to off-site improvements benefitting the project. By entering into the Second Implementation Agreement the Agency is committing to contribute toward the cost of installing certain off-site public improvements in an estimated amount of \$700,000. It is anticipated that these improvements would not be installed until 2015. The Redevelopment Agency's net tax increment (after set asides) generated from Parcel A, B and C is projected to be \$15,876,630 over the next 30 years. The amount committed to repaying the Developer is \$11,634,780 (from Parcel A, B and C), leaving a balance of uncommitted tax increment revenue of \$4,241,850.

Environmental - The City Council and Redevelopment Agency certified a Mitigated Negative Declaration (MND) (SCNo.98031064) for this project with approval of the DDA on May 12, 1998.

BACKGROUND

On February 22, 2000, the Redevelopment Agency entered into the First Implementation Agreement with LandGrant Development. The First Implementation Agreement provided for the Developer to proceed with the first phase of the project ahead of the anticipated International Bridges and Border Commission authorization of the River Pedestrian Bridge. The first phase consists of 654,830 square feet of retail and restaurant commercial development located on approximately 57 acres of the 67 acre site (also know as Parcels A, B, and C in the DDA.)

In May of this year the Developer began processing the City Discretionary Permits. During this review the City determined that additional off-site public improvements beyond what was contemplated in the DDA, and a shift in phasing of some of the improvements, would be required to offset any potential traffic impacts in the area. The result of these requirements is an increase in excess of \$960,000 to the project costs not anticipated in the DDA, and beyond what the first phase of the project could sustain.

DISCUSSION

LandGrant has completed the discretionary permit review process. The Planning Commission hearing is scheduled for October 26, and the City Council is scheduled to take action on the permits at its November 14, 2000 meeting. The Second Implementation Agreement would redefine the off-site public improvements required by the project, when they would be required to be built and who would ultimately pay for those improvements. The Cooperation Agreement between the Agency and the City would provide for the Redevelopment Agency contributing a portion of the cost of installing specific off-site improvements when warrants demand.

Specifically, the Second Implementation Agreement would amend Attachment No. 4 (Scope of Development) Section A (Developer Responsibilities), Subsection 6 (Off-Site Improvements) as follows:

- 1) Section (A, 6., a.) would be amended to add the following improvements:
 - (3) Construction of a traffic signal at Dairy Mart Road and the Interstate 5 on and off ramps (previously required with development of Parcel E), an estimated cost of \$162,500.
 - (5) Widening of Camino de la Plaza from Virginia Avenue to Camiones Way (new condition), an estimated cost of \$60,000.
 - (6) Re-striping of the off ramp and signal modifications south of I-5 at Camino de la Plaza (new condition), an estimated cost of \$45,000.
- 2) Section (A, 6., b.) would be amended to delete the old (1), which is a private drive and no longer a public street, and add the following improvement(s):
 - (2) The widening of Dairy Mart Road between the Dairy Mart / Interstate 5 interchange and the Camino de la Plaza/Dairy Mart Intersection (previously required with construction of Parcel E).
- 3) Section (A, 6., c.) would be amended to delete the old (2), (3) and (4) (these items were moved to earlier phases as noted above).
- 4) Add a new Section (C) titled Agency Responsibilities, which would include the Agency paying for, when warrants demand, estimated in 2015, the fair share of the following improvements:
 - (a.) The fair share (65%) of Dairy Mart Road and I-5 west-side ramp improvements (previously a condition of Parcel E), an estimated cost of \$200,000 and intersection improvements to the south bound off ramp (new condition), an estimated cost of \$65,000.
 - (b.) The fair share (61.6%) of the widening of Willow Road and signal modifications (new condition), and estimated cost of \$256,000.
 - (c.) The fair share (46.6%) of south bound I-5 off ramp and signal modifications at Camino de la Plaza (new condition), and estimated cost of \$175,000.
 - (d.) The fair share (50.2%) of traffic signal modification and re-striping of Camino de la Plaza and Beyer Boulevard (new condition) and estimated cost of \$6,260.
 - (e.) The Developer shall not be responsible for the improvements to the traffic signal at West San Ysidro Boulevard / Interstate 5 northbound ramps (N), which are already a part of the City's CIP Budget/Program. The Redevelopment Agency will assist the City in moving this project forward with CALTRANS.

The Cooperation Agreement between the City and Redevelopment Agency would provide for the Agency contributing tax increment funds toward the specific off-site improvements noted above in paragraph 4). The Developer anticipates beginning construction on the first phase by December of this year.

FINDINGS

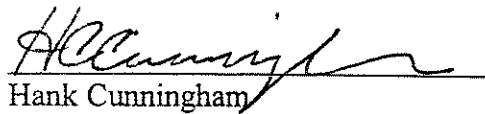
State law requires that certain findings be made by the City Council and the Redevelopment Agency prior to the expenditure of Redevelopment Agency funds for public

facilities/improvements. Attachment 2 recites the proposed findings with respect to the benefits of the proposed improvements to the San Ysidro Redevelopment Project Area, the unavailability of other reasonable means to finance the proposed improvements, how the proposed improvements will assist in the elimination of blighting conditions inside the Project Area and that the proposed improvements are consistent with the Redevelopment Plan and Five-Year Implementation Plan adopted for the Project.

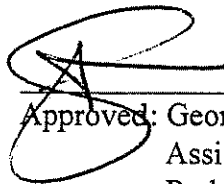
ALTERNATIVE

Do not approve the Second Implementation Agreement with LandGrant Development. This alternative would significantly delay, or stop, the development of this project.

Respectfully submitted,



Hank Cunningham
Deputy Executive Director of
Redevelopment



Approved: George Loveland
Assistant Executive Director of
Redevelopment

CUNNINGHAM/PKH

ATTACHMENT: 1) Second Implementation Agreement
 2) Findings

iga2ndimplementationstaffreport



THE CITY OF SAN DIEGO

MANAGER'S REPORT

DATE ISSUED: November 15, 2000 REPORT NO. 00-247

ATTENTION: Mayor and Members of the City Council
Docket of November 21, 2000

SUBJECT: Cooperation Agreement with the Redevelopment Agency for the
International Gateway of the Americas Project (LandGrant Development)

REFERENCE: Manager's Reports No. RA-00-3, dated, February 16, 2000; RA98-4,
dated May 6, 1998; and, RA-97-8, dated, July 11, 1997

SUMMARY

Issue - Should the Council authorize the City Manager to prepare and execute a Cooperation Agreement with the Redevelopment Agency for reimbursement of certain off-site public improvements associated with the International Gateway of the Americas Project?

Manager's Recommendation - That the Council: (1) Authorize the City Manager to prepare and execute a Cooperation Agreement with the Redevelopment Agency for reimbursement of certain off-site public improvements associated with the IGA Project; and (2) Make certain findings that the improvements are of benefit to the San Ysidro Redevelopment Project Area or the immediate neighborhood in which the project is located; that no other reasonable means of financing the improvements are available to the community; that the payment of funds for such improvements will assist in the elimination of blighting conditions inside the Project Area; and that the proposed improvements are consistent with the Redevelopment Plan adopted for the Project Area on April 16, 1996, and the Five-Year Implementation Plan adopted on April 2, 1996.

Other Recommendations - None. The San Ysidro Redevelopment Project Area Committee is no longer meeting due to budget limitations.

Fiscal Impact - The Agreement will provide tax increment revenue for off-site improvements benefitting the International Gateway of the Americas Project and the San

Ysidro community in an estimated amount of \$700,000. It is anticipated that these improvements would not be installed until 2015. The Redevelopment Agency's net tax increment (after set asides) generated from Parcel A, B and C is projected to be \$15,876,630 over the next 30 years. The amount committed to repaying the Developer is \$11,634,780 (from Parcel A, B and C), leaving a balance of uncommitted tax increment revenue of \$4,241,850.

Environmental - The City Council and Redevelopment Agency certified a Mitigated Negative Declaration (MND) (SCNo.98031064) for this project with approval of the DDA on May 12, 1998.

BACKGROUND

On February 22, 2000, the Redevelopment Agency entered into the First Implementation Agreement with LandGrant Development. The First Implementation Agreement provided for the Developer to proceed with the first phase of the project ahead of the anticipated International Bridges and Border Commission authorization of the River Pedestrian Bridge. The first phase consists of 654,830 square feet of retail and restaurant commercial development located on approximately 57 acres of the 67 acre site (also know as Parcels A, B, and C in the DDA.)

In May of this year the Developer began processing the City Discretionary Permits. During this review the City determined that additional off-site public improvements beyond what was contemplated in the DDA, and a shift in phasing of some of the improvements, would be required to offset any potential traffic impacts in the area. The result of these requirements is an increase in excess of \$960,000 to the project costs not anticipated in the DDA, and beyond what the first phase of the project could sustain.

DISCUSSION

LandGrant has completed the discretionary permit review process. The Planning Commission hearing is scheduled for October 26, and the City Council is scheduled to take action on the permits at its November 14, 2000 meeting. The Second Implementation Agreement would redefine the off-site public improvements required by the project, when they would be required to be built and who would ultimately pay for those improvements. The Cooperation Agreement between the Agency and the City would provide for the Redevelopment Agency contributing a portion of the cost of installing specific off-site improvements when warrants demand.

Specifically, the Cooperation Agreement would provide the Agency contributing Tax Increment, when warrants demand, estimated in 2015, for the following improvements:

- (1) The fair share (65%) of Dairy Mart Road and I-5 west-side ramp improvements (previously a condition of Parcel E), an estimated cost of \$200,000 and south bound off ramp intersection improvements (new condition), an estimated cost of \$65,000.

- (2) The fair share (61.6%) of the widening of Willow Road and signal modifications (new condition), and estimated cost of \$256,000.
- (3) The fair share (46.6%) of south bound I-5 off ramp and signal modifications at Camino de la Plaza (new condition), and estimated cost of \$175,000.
- (4) The fair share (50.2%) of traffic signal modification and re-striping of Camino de la Plaza and Beyer Boulevard (new condition) and estimated cost of \$6,260.
- (5) The Developer shall not be responsible for improvements to the traffic signal at West San Ysidro Blvd./I-5 which is in the City's CIP Budget/Program.

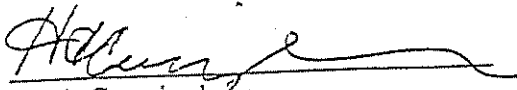
FINDINGS

State law requires that certain findings be made by the City Council and the Redevelopment Agency prior to the expenditure of Redevelopment Agency funds for public facilities/improvements. Attachment 2 recites the proposed findings with respect to the benefits of the proposed improvements to the San Ysidro Redevelopment Project Area, the unavailability of other reasonable means to finance the proposed improvements, how the proposed improvements will assist in the elimination of blighting conditions inside the Project Area and that the proposed improvements are consistent with the Redevelopment Plan and Five-Year Implementation Plan adopted for the Project.

ALTERNATIVE

Do not approve a Cooperation Agreement with the Redevelopment Agency. This alternative would significantly delay, or stop, the development of this project.

Respectfully submitted,



Hank Cunningham

Director

Economic Development and Community Services



Approved: George Loveland
Assistant City Manager

CUNNINGHAM/PKH

ATTACHMENT(S) Findings

iga2ndimplementationstaffreportcouncil

CITY OF SAN DIEGO
MEMORANDUM

DATE: January 8, 2001

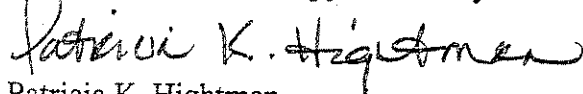
TO: Charles Abdelnour, City Clerk

FROM: Patricia K. Hightman, Assistant Deputy Director, Redevelopment Agency

SUBJECT: City Council Report No. 00-247 from Council Docket of November 21, 2000 & Redevelopment Agency Report No. RA-00-19 from Agency Docket of November 21, 2000

It has come to my attention that the second page of City Council Report No. 00-247 was inadvertently replaced with the second page from the Redevelopment Agency Report No. RA-00-19 for the distribution for the November 21, 2000 Council/Agency dockets. The reports were correct on the internet and the attachments and resolutions were correct.

Attached is a correct copy of the City Council Report No. 00-247 for your records.


Patricia K. Hightman

PKH:

Attachment

cc: Hank Cunningham, Community Development Director
Todd Hooks, Deputy Director, Redevelopment
Debra Waring, Auditor's Office
Jeannette Santos, Redevelopment Agency Secretary
Sam Marasco, LandGrant Development

iga2ndimpcorrection